

## Message Text

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ORIGIN AEC-11

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DRAFTED BY AEC/IP/ADSMP:DBHOYLE

APPROVED BY SCI:H D BREWSTER

AEC/IP/D ASFRIEDMAN

ACDA C VAN DOREN

EA/J R DANKERT

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P 031601Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO PRIORITY

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EO 11652: N/A

TAGS: TECH, JA

SUBJECT: JAPANESE INTEREST IN HTGR

REF: A. TOKYO 4960; B. TOKYO 4977

1. WITH REGARD REF A, AEC RECENTLY HAS BEGUN INSERTING IN ARTICLE II.8. OF ALL LONG-TERM, FIXED-COMMITMENT ENRICHMENT CONTRACTS WITH CUSTOMERS ABROAD LANGUAGE WHICH LIMITS THE MAXIMUM ASSAY OF ENRICHED URANIUM TO BE DELIVERED BY THE COMMISSION TO 20 WEIGHT PERCENT U-235, "EXCEPT AS MAY OTHERWISE BE AGREED BY THE PARTIES IN WRITING." (FIRST JAPANESE CONTRACTS USING THIS FORMULATION ARE TWO ABOUT TO BE INITIALED WITH HOKKAIDO EPC.) IF EPDC PREPARED TO ACCEPT THIS LANGUAGE, WE COULD PROCEED ON FOLLOWING BASIS:

A. CONTRACT WOULD BE EXECUTED BY JUNE 30, 1974, DEADLINE DATE SHOWING ONLY MEGAWATT RANGE (WITHIN 200 MWE) AND YEAR OF INITIAL ENRICHED URANIUM DELIVERY. THIS WOULD PERMIT AEC TO RESERVE NECESSARY SEPARATIVE WORK TO SUPPLY REACTOR TYPE

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FINALLY SELECTED BY EPDC, INCLUDING HTGR.

B. USG WOULD CONCURRENTLY EXPEDITE INTERNAL CLEARANCE PROCEDURES TO PERMIT FUELING OVERSEAS HTGR AND EXPECTS TO COMMENCE IN NEAR FUTURE DISCUSSIONS WITH GOJ WITH OBJECTIVE OF DEVELOPING MUTUALLY ACCEPTABLE PHYSICAL SECURITY ARRANGEMENTS PERMITTING TRANSFER OF REQUISITE QUANTITIES OF HIGHLY ENRICHED URANIUM. WE WOULD EXPECT AND HOPE THAT THE LATTER COULD BE AGREED UPON PROMPTLY THEREAFTER SINCE WE ARE PROCEEDING ON CLEAR PRESUMPTION THIS ASPECT CAN BE RESOLVED SATISFACTORILY.

C. ASSUMING THAT EPDC CONTRACT FOR HTGR AND STEPS OUTLINED IN B. ABOVE SATISFACTORILY CONCLUDED BY TIME EPDC MUST FURNISH APPENDIX "A" DATA, US COULD AGREE TO MAKE HIGHLY ENRICHED URANIUM FUEL AVAILABLE. JAPANESE RATIFICATION OF NPT WOULD OF COURSE BE HELPFUL IN THIS CONNECTION.

D. SHOULD EPDC NOT REPEAT NOT DECIDE TO CONSTRUCT HTGR OR IN UNLIKELY EVENT FOREGOING STEPS NOT SATISFACTORILY COMPLETED BY TIME APPENDIX "A" DATA REQUIRED, EPDC COULD EITHER USE SEPARATIVE WORK COVERED BY CONTRACT FOR FUELING A LIGHT-WATER REACTOR OF COMPARABLE SIZE IN JAPAN OR COULD TAKE SUCH OTHER REMEDIES AS ARE OPEN TO IT UNDER CONTRACT TO MINIMIZE FINANCIAL IMPACT.

2. IF ABOVE-DESCRIBED APPROACH ACCEPTABLE TO EPDC, AEC PREPARED TO FORWARD DRAFT CONTRACT FOR ITS REVIEW ON AD REFERENDUM BASIS, EVEN THOUGH "AUTHORIZED PERSONS" LETTER NOT YET RECEIVED FROM GOJ. AS SOON AS WE ARE INFORMALLY ADVISED OF EPDC'S VIEWS BY EMBASSY, WE WILL MAKE APPROPRIATE RESPONSE TO LATTER'S APRIL 3 LETTER. IN ANY EVENT, WE WOULD APPRECIATE RECEIVING "AUTHORIZED PERSONS" LETTER AS QUICKLY AS POSSIBLE. AS IMPLIED FROM FOREGOING, NO SIGNIFICANT DEVIATIONS FROM STANDARD ENRICHMENT CONTRACT FOR LIGHT-WATER REACTORS WOULD BE INVOLVED IN THESE CIRCUMSTANCES.

3. WITH REGARD REF B, A SIMILAR PROCEDURE COULD BE FOLLOWED FOR JAPCO. RUSH

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## Message Attributes

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**Channel Indicators:** n/a  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 MAY 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
**Disposition Reason:**  
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